

research and cultural institutions in the United States but in a way I think worthy and which I recommend heartily to my colleagues.

The PRESIDING OFFICER. All time is yielded back.

Mr. GORTON. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not.

Mr. GORTON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the conference report. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Vermont (Mr. JEFFORDS) is necessarily absent.

Mr. REID. I announce that the Senator from California (Mrs. FEINSTEIN), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 83, nays 13, as follows:

[Rollcall Vote No. 266 Leg.]

#### YEAS—83

Abraham	Durbin	Mikulski
Akaka	Edwards	Miller
Allard	Enzi	Moynihan
Ashcroft	Frist	Murkowski
Baucus	Gorton	Murray
Bayh	Grams	Nickles
Bennett	Grassley	Reed
Biden	Gregg	Reid
Bingaman	Hagel	Robb
Bond	Harkin	Roberts
Boxer	Hatch	Rockefeller
Bryan	Hollings	Roth
Bunning	Hutchinson	Santorum
Burns	Hutchison	Sarbanes
Byrd	Inouye	Schumer
Campbell	Johnson	Shelby
Chafee, L.	Kerrey	Smith (OR)
Cleland	Kerry	Snowe
Cochran	Kohl	Specter
Collins	Kyl	Stevens
Conrad	Lautenberg	Thomas
Craig	Leahy	Thompson
Crapo	Levin	Thurmond
Daschle	Lincoln	Torricelli
DeWine	Lott	Warner
Dodd	Lugar	Wellstone
Domenici	Mack	Wyden
Dorgan	McConnell	

#### NAYS—13

Breaux	Gramm	Sessions
Brownback	Helms	Smith (NH)
Feingold	Inhofe	Voinovich
Fitzgerald	Landrieu	
Graham	McCain	

#### NOT VOTING—4

Feinstein	Kennedy
Jeffords	Lieberman

The conference report was agreed to.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

#### MORNING BUSINESS

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the Sen-

ate now be in a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### THE HEATING OIL RESERVE

Mr. MURKOWSKI. Mr. President, I think Senator DOMENICI will be seeking recognition. First, I want to take 2 minutes to alert my colleagues to what I think is a very significant issue.

Much has been made of late about the status of the Strategic Petroleum Reserve and the recommendation by Vice President GORE that we withdraw 30 million barrels out of the SPR so we can build up our heating oil reserve. Let me tell you what is happening to that.

The administration forgot a very important detail when they put that oil up to bid for the refiners. They didn't mandate that the crude oil be refined into heating oil or that it be used to build inventories here in the United States for the benefit of the Northeast States that need that heating oil inventories built up.

What will happen to the crude oil or refined product? It will go into the marketplace, and it is going to Europe because Europe is paying a higher price for heating oil than the United States. Currently, 167,000 barrels a day of distillate is exported.

Let me tell you what came out of the Houston Chronicle, and I quote:

The buyers can do what they wish with the oil, such as sell or swap it, said Department of Energy spokesperson Drew Malcomb, although whoever ends up with the oil has to get it out of storage by the end of November.

The extra crude won't result in any additional heating oil because all the heating oil facilities already are operating at maximum capacity, Brown said.

There you have it. You have an administration that said we had an emergency, we had to go into SPR, address our heating oil situation, while sending a message to the Mideast that we are reducing our savings account. Then we find we may not build up our domestic heating oil inventories at all with this oil, it is going up for sale into the market and ending up in Europe because the administration didn't mandate that if you bought the oil, you had to keep it here in the United States.

Senator STEVENS and I have experienced some demands relative to our inability to move our oil out of our State.

It is inconsistent to me that the administration could make such a poor business deal. We have not accomplished anything with SPR. We have simply increased our exports of heating oil. I think it is a charade.

I thank my colleague from New Mexico. But I did want to call that to your attention.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Houston Chronicle entitled "Oil from Reserve in High De-

mand" and two tables on distillate exports.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OIL FROM RESERVE IN HIGH DEMAND—  
BIDDERS GRAB 30 MILLION BARRELS

(By Nelson Antosh)

Trading companies and refiners looking for a good deal on crude have snapped up all 30 million barrels that the federal government is releasing from the Strategic Petroleum Reserve.

The Energy Department announced Wednesday that 11 companies, some of them with names little known even within the industry, had submitted the best bids for the oil being held underground in Louisiana and Texas.

The buyers in effect promised to return to storage 31.56 million barrels between August and November of next year, thus paying a premium of about 5 percent.

But by using the futures market, the successful bidders will be able to pay back with oil cheaper than what it is today, even if the real market price for crude may be higher by then.

"A good transaction for value," said Mary Rose Brown of Valero, a San Antonio-based company that will be refining its federal crude. The difference between Wednesday's futures and the payback cost is \$3.25 per barrel, she said.

The futures price for next October is \$28.53, said Kyle Cooper of Salomon Smith Barney in Houston, who reasons that all the reserve sale does is "move around crude."

In contrast to next October, the sweet crude contract for next month settled Wednesday on the New York Mercantile Exchange for \$31.43 per barrel.

The buyers can do what they wish with the oil, such as sell or swap it, said DOE spokesman Drew Malcomb, although whoever ends up with the oil has to get it out of storage by the end of November.

Valero will be taking 1 million barrels of sour crude from the Bryan Mound storage site near Freeport and splitting it between its refineries in Texas City and Freeport.

That crude will be co-mingled with other supplies and be made into a full range of products, including gasoline.

The extra crude won't result in any additional heating oil because all the heating oil facilities already are operating at maximum capacity, Brown said. Valero even shifted some of its distillate output at a New Jersey refinery from premium-priced jet fuel into home heating oil.

"The product will go where the market is," said Malcomb, although he said his agency would prefer that it be refined into heating oil and be shipped to the Northeast.

Vitol, a trading company in Houston that also owns a refinery in Canada, will get 1.05 million barrels of sweet crude out of a storage site in Louisiana and 550,000 sour barrels out of Bryan Mound.

The company will apply for an export license, but logically it is a better value if sold along the Gulf Coast, said a Vitol employee who preferred not to be identified.

Marathon Ashland Petroleum LLC, a Houston-based venture that is a major refiner, was the high bidder on 2.4 million barrels of sour crude and 1.5 million barrels of sweet crude.

The DOE did not release the amounts that individual companies promised to return to the reserve, because that could influence any future sales.

Morgan Stanley Dean Witter of New York was the high bidder on 2 million barrels.

Lesser known names were Euell Energy of Aurora, Colo., which was the high bidder on